

INCOMING TELEGRAM

Department of State

50-53

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Classification

Control: 17160

Action

Rec'd: February 28, 1961

NEA

1:45 p.m.

Info

FROM: Khorramshahr

SS

TO: Secretary of State

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SP

NO: 37, February 28, 7 p.m. (SECTION ONE OF TWO)

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SENT DEPARTMENT 37, TEHRAN 134, BASRA 23, REPEATED INFORMATION BAGHDAD 24, LONDON 23.

INR

Reference: A. CONTEL 36, B. London's 3425 to Department, C. DEPTTEL 24 to Khorramshahr.

CIA

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1. No shipment oil reported Abadan on February 26 and 27. Refinery expects continue present production level (reference A) for approximately two weeks due increased NIOC deliveries or internal consumption and daily 250,000 barrel delivery bunker fuel to Bandar Mashur via pipeline.

2. Agents for BP and STANVAC tankers confirmed receipt instructions outlined reference B but stated approach not yet made due continued absence Basra Port Director General still in Baghdad.

3. UK Foreign Office understanding of Abadan berthing issue reported reference B apparently based on completely erroneous assumption. Control of vessel destined Abadan actually turned over in river by pilot to Iraqi harbor master who then berths ship. Iranians would follow same procedure except substitute own harbor master as they have been doing in Khorramshahr for number of years. The 1937 treaty makes no specific reference to berthing rights. (It would be most helpful if this post could be provided with legal advisor's opinion re Abadan berthing.)

4. While it is true our position act as intermediaries is colored by American involvement in consortium and jointly owned Iran Pan American Oil Company in Khosrowabad, I consider this

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-2- 37, February 28, 7 p.m. (SECTION ONE OF TWO), from  
Khorramshahr

very involvement entitles US intercede at least with Iran Government in view losses being suffered by US shipping and oil interests. Without ruling out possible satisfactory results from Turkish good offices, I believe adamant stand apparently assumed by Shah and Iran Government this issue may require more positive effort relieve present impasse in view probable mounting pressure on Iran due its unfavorable financial position in this affair. I further believe that contemplated suggestion by Turks (reference C) of exploration broader issues relating to Shatt, while acceptable to Iranians, would either be completely unpalatable to Iraqis or would result in opening of Pandora's box adding further frictions to present situation. Contrariwise, ICJ advisory opinion would be discussed as ineffective by Iranians.

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INCOMING TELEGRAM

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Control: 17208

Action

Rec'd: February 28, 1961

NEA

2:24 p.m.

Info

FROM: Khorramshahr

SS

TO: Secretary of State

G

SP

NO: 37, February 28, 7 a.m. (SECTION TWO OF TWO)

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SENT DEPARTMENT 37, TEHRAN 134, REPEATED INFORMATION BAGHDAD  
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I suggest for Embassy Tehran and Department consideration  
following course of action:

A. while indicating sympathy for Iranian position Abadan  
berthing issue, US should make firmer representation to Iran  
Government re affect this dispute on US commercial interests

B. strongly urge Iran Government accept Iraqi offer of  
Foreign Ministers meeting, suggesting that this high level  
confrontation of Iraqis should reveal whether they are  
willing negotiate this matter in good faith. Note Iranian  
refusal accept offer might later be used publicly by Iraqis  
as evidence their lack of good faith. (Site need not necessarily  
be Abadan, but it might be pointed out that discussion this  
matter on scene would serve visually emphasize actual insigni-  
ficance of minor question involved)

D\* if Iran Government should reiterate belief suggested  
meeting would not be useful in obtaining Iraqi concession on  
this issue, US might suggest that Iran could show good faith  
and peaceful intentions by suggesting as alternative Iraqi  
agreement for referral question to ICJ as contentious proceeding  
which would make decision binding.

Comment: Principal virtue of Foreign Ministers meeting is  
that it might in some fashion result in more immediate  
easing of Abadan shipping situation than good offices procedure.

It must be recognized that danger exists suggestion by either  
US or

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US or Turks of referral matter to ICJ will possibly raise question of bringing question to UNGA. Our position would obviously be to discourage such move emphasizing involvement USSR and UAR mentioned reference C. Nevertheless, as practical matter, minor disputes often seem to get through UNGA without great excitement and with somewhat standard resolution recommending further bilateral negotiation or eventual referral ICJ. Course of action outlined above suggested if presently proposed bilateral discussions in Baghdad will achieve solution.

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\* Lettered paragraph as received.

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